

WISCONSIN PUBLIC SERVICE

March 11, 2002

Ms Lynda Dorr, Commission Secretary Public Service Commission of Wisconsin 610 N. Whitney Way PO Box 7854 Madison, WI 53707-7854

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Wisconsin Electric/Wisconsin Gas
231 W. Michigan St.
P.O. Box 2046
Milwaukee, WI 53201-2046

Milwaukee, WI 53201-2046 Phone 414 221-2345



Dear Ms Dorr:

Wisconsin Electric is in the process of implementing the SchlumbergerSema fixed network system for Automatic Meter Reading (AMR). Our Phase 1 deployment plan runs from April 2002 through 2004 and includes the installation of approximately 395,000 electric meters with communication modules. Upon a decision to move forward with Phase 2, approximately 360,000 additional electric meters will be deployed from years 2005 through 2008.

Because of this extensive population upgrade, Wisconsin Electric is asking permission to waive certain in-service meter testing requirements beginning 1/1/2002 until one year after completion of all phases of the automatic meter reading installation project:

1) Wisconsin Electric requests permission to suspend in-service testing for all meters that qualify for statistical sample plan testing.

PSC113.0921 Statistical sample testing plan for in-service, electronic (solid-state) meters and electromechanical, self-contained, single-phase and 3-wire network meters. (a-f)

2) Wisconsin Electric requests permission to suspend periodic testing of all three-phase, and single-phase transformer rated, electromechanical meters in the Phase 1 area during the deployment years 2002 – 2004 and subsequently in the Phase 2 area during the deployment years 2005-2008. Meters outside of the proposed AMR boundaries that do not qualify for statistical sample testing, will continue to be periodically tested as required.

PSC113.0912 Testing of self-contained polyphase meters. (e)

PSC113.0913 Testing of meters used with instrument transformers on single-phase service. (e)

PSC113.0914 Testing of polyphase electromechanical and completely solid state electronic meters used with instrument transformers at fixed periodic intervals. (e)

3) Wisconsin Electric requests deferral of the requirement to remove all meters in a rejected lot within 48 months from the date of completion of sample analysis. All of our existing rejected lot meters in the AMR Phase 1 & 2 areas (approximately 20,000 meters), will be removed in conjunction with AMR deployment. Meters outside of the deployment areas (approximately 10,000 meters) will be removed within one year after the completion of all phases of the AMR project.

PSC113.0921 Statistical sample testing plan for in-service, electronic (solid-state) meters and electromechanical, self-contained, single-phase and 3-wire network meters. (e)... All meters in a rejected lot that will not be returned to service shall be removed within 48 months from the date of completion of the sample analysis.

Wisconsin Electric believes this request to be necessary and warranted due to the extensive meter upgrade effort that we are undertaking in conjunction with this project. We realize that an accurate meter population is very important to both our business and our customers, therefore we are taking steps to ensure the accuracy of our meters in order to minimize the impact of this request:

- ➤ We will be replacing over 60% of the meters in the deployment areas, with new allelectronic (solid state) type meters
 - All meters over 25 years old will be replaced.
 - All meters in groups that have failed statistical sample plan testing will be removed in conjunction with deployment.
 - All meters in groups that have exhibited poor statistical sample plan test results (trending badly) will be replaced.

Our statistical sample test plan submittals from recent years show that Wisconsin Electric's meter population is, in general, accurate and precise. The above measures will ensure that any changes made due to the deployment of AMR will enhance our already accurate population while removing a small number of identified poor performers. Along with continued periodic testing of a portion of the meter population, and continued customer requested and commission referee testing, Wisconsin Electric is confident that the accuracy of our meter population will be maintained throughout this deployment.

The purpose of this letter is to request waivers for in-service meter test requirements as detailed above. We would appreciate an answer to this waiver request by April 15, 2002, so that we may plan our annual work accordingly.

If you have questions, or if you require additional information, please feel free to contact Kelley Knoerr (414) 221-3025 or me at (414) 221-5074. Thank you for considering our request.

Sincerely,

Joann Henry

Director - Field Operations

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